

JEB SPAULDING
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

The Vermont Voluntary Retirement Savings Program Proposal

- ✓ Recognizes research that shows 8 of 10 of those people offered a retirement plan at work say they participate, that very few workers participate in automatic savings arrangements outside of work, that 70% of firms with fewer than 25 employees offer no formal retirement plan, and that more than ¾ of Vermont's business establishments have nine or fewer employees.
- ✓ Through a collaborative public/private partnership, creates a simple and inexpensive voluntary retirement savings program to assist employers, employees, and self-employed Vermonters in saving for retirement.
- ✓ Takes advantage of economies of scale by piggybacking on the State's existing retirement plans to offer businesses the option of providing a 401(K)-type retirement plan for their employees, as well as a prototype IRA to serve the self-employed and employees of employers that are not willing to sponsor a plan.
- ✓ Makes the process easy for the small business owner by eliminating the need to make decisions regarding a provider, plan design and investments, which hold many employers back from retirement plan sponsorship.
- ✓ Offers a limited but effective menu of investment options with a default option to protect investors.
- ✓ Reflects a "best practices" design not only in terms of investment options, but enrollment, cost, and other plan characteristics.
- ✓ Administrative fees will be covered in the fee for plan participants. Little or no cost to taxpayers.
- ✓ Benefits from the imprimatur and marketing power of the State.
- ✓ Provides for tax-deferred savings and enables employees to defer a portion of their pre-tax compensation to their retirement accounts through payroll deduction.
- ✓ Is portable and can be rolled over into other qualified retirement plans.
- ✓ Is totally voluntary for all involved – employers, employees, and the self-employed.